

MUR # 7267

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Brad Woodhouse
American Democracy Legal Fund
455 Massachusetts Avenue, NW
Washington, DC 20001

OFFICE OF GENERAL

Complainant,

v.

Josh Hawley
Missouri Attorney General
207 W. High St.
Jefferson City, MO 65102

Hawley for Missouri
Doug Russell, Treasurer
PO Box 1073
Columbia, MO 65205

Respondents.

SUPPLEMENTAL COMPLAINT

Complainant files this Supplemental Complaint with the Federal Election Commission (the "FEC" or "Commission") under 52 U.S.C. § 30109(a)(1) against Josh Hawley, Hawley for Missouri, and Doug Russell in his official capacity as treasurer ("Respondents") for violating the Federal Election Campaign Act of 1971, as amended (the "Act") and FEC regulations, as described below. We file this Supplemental Complaint to highlight and expand upon the allegations made in the complaint filed against Respondents on August 2, 2017 ("the August Complaint"). Additional facts have surfaced to show repeated violations by Respondents in using prohibited funds for federal "testing the waters" activities, expanding the scope and number of violations by Respondents in this instance. We urge the Commission to promptly investigate these violations, in addition to those included in the August Complaint, and take appropriate remedial action against Respondents for these repeated violations of law.

A. FACTUAL BACKGROUND

After months of speculation, Attorney General Josh Hawley filed his Statement of Candidacy with the FEC on August 3, 2017, formally announcing his run for the U.S. Senate in Missouri.¹ On the same day, Mr. Hawley registered an “exploratory committee” with the FEC: the Josh Hawley Senate Exploratory Committee.² At the time, Attorney General Josh Hawley’s state campaign committee—Hawley for Missouri—was still registered with the Missouri Ethics Commission (“MEC”), raising and spending funds in connection with Hawley’s next statewide election in August of 2020.³

On October 16, 2017, Hawley for Missouri filed its most recent campaign finance report with the MEC, covering activity between July 1, 2017 and September 30, 2017, and listing additional payments to vendors like On Message, Inc. and the KAM Company.⁴ Specifically, Hawley for Missouri made payments of \$4,850 to On Message, Inc. for “media communications” and \$3,700 to the KAM Company for “finance consulting” – both in July of 2017.⁵ As a reminder, Mr. Hawley used these same vendors in his 2016 campaign for Attorney General,⁶ and in 2017, used them to produce a “high-production-quality video...almost indistinguishable from a paid political campaign ad.”⁷ On its October MEC report, Hawley for Missouri also reported payments to (i) Mine Creek Strategies for “communications” on July 12, 2017; (ii) Williams-Keepers LLC for “Accounting Fees” on September 8, 2017 and September 20, 2017; and (iii) The Gober Group PLLC for “Legal Fees” on September 13, 2017.⁸

At about the same time, the Josh Hawley Senate Exploratory Committee filed its first campaign finance report with the FEC, reporting expenditures of \$5,000 to Mine Creek Strategies for “Political Strategy Consulting” on August 31, 2017; \$4,130 to On Message Inc. for “Travel” on August 25, 2017; and \$1,733.50 to The Gober Group for “Legal Consulting” on September 13, 2017.⁹

¹ FEC Form 2, Statement of Candidacy (filed Aug. 3, 2017); *see also* Kevin McDermott, *Hawley Says He Isn't Focused on Possible Senate Run; His Campaign Spending Hints Otherwise*, St. Louis Post-Dispatch (Jul. 25, 2017), available at http://www.sltoday.com/news/local/govt-and-politics/hawley-says-he-isn-t-focused-on-possible-senate-run/article_7624772d-eced-53d6-ad00-6c8n7f4dn575.html?utm_source=dlvr.it&utm_medium=twitter.

² FEC Form 1, Statement of Organization, Josh Hawley Senate Exploratory Committee (filed Aug. 3, 2017).

³ Hawley for Missouri, MEC Statement of Committee Organization - Amended (filed Mar. 27, 2017).

⁴ Hawley for Missouri, MEC October Quarterly Report (filed Oct. 16, 2017).

⁵ *Id.*

⁶ MEC October Quarterly Report, *supra* note 4.

⁷ McDermott, *supra* note 1.

⁸ MEC October Quarterly Report, *supra* note 4.

⁹ FEC October Quarterly Report, Josh Hawley Senate Exploratory Committee, at 130, 132, 133. (filed Oct. 12, 2017).

B. LEGAL ANALYSIS

As is described in the August Complaint, Attorney General Josh Hawley was contemplating a run for Senate months before his official declaration of candidacy on August 3, 2017.¹⁰ While Hawley was “seriously considering” this potential Senate run,¹¹ his state campaign committee made expenditures of over \$180,000 toward Hawley’s federal testing-the-waters activities.¹² Commission regulations are clear that only funds permissible under the Act may be used for testing-the-waters activities.¹³ The Commission has further confirmed that state campaign committee funds may *not* be used for testing the waters activity for a potential federal candidate: “an individual considering a run for Federal office may not pay for testing the waters activity with money from a state campaign account, regardless of whether the funds in that account are Federally permissible.”¹⁴

There is no question as to the source of funding for these testing-the-waters activities: Hawley for Missouri has now filed another campaign finance report with the state, disclosing an additional \$18,516 in expenses for communications, media consulting, finance consulting and legal fees, all to vendors that Hawley either used previously in his 2016 campaign, or from vendors that Hawley has since used through his federal campaign committee, Josh Hawley for Senate Exploratory Committee.¹⁵ To put it even more simply, Hawley for Missouri reported expenditures to seven different entities on its October report; of those entities, two were former vendors used by Hawley in his 2016 campaign, and three subsequently received payments from Hawley’s federal campaign committee during the exact same period of time.¹⁶ In fact, The Gober Group PLLC received payments from Hawley for Missouri and the Josh Hawley Senate Exploratory Committee on the exact same day: September 13, 2017.¹⁷

¹⁰ McDermott, *supra* note 1; see also August Complaint.

¹¹ Deirdre Shesgreen, *Josh Hawley Mum on Senate Bid, But Others Buzzing*, News Leader (Jul. 21, 2017), available at <http://www.news-leader.com/story/news/politics/2017/07/21/josh-hawley-mum-senate-bid-but-others-buzzing/500185001/>.

¹² MEC October Quarterly Report, *supra* note 4.

¹³ See 11 C.F.R. §§100.72(a), 100.131(a).

¹⁴ Statement of Reasons of Commissioner Hans A. von Spakovsky, MUR 5722 (Friends of Lauzen).

¹⁵ *Id.*

¹⁶ MEC October Quarterly Report.

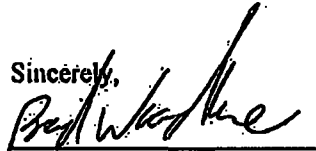
¹⁷ MEC October Quarterly Report, *supra* note 4; FEC October Quarterly Report, *supra* note 9.

Now more than ever, it is clear that Respondents used Hawley's state campaign committee to make expenditures for federal testing-the-waters activities in connection with Hawley's Senate bid. Not only has Hawley for Missouri repeatedly violated this clear restriction, it is no longer even trying to cover its tracks. By reporting expenditures to the same vendors currently being used by Hawley's federal campaign committee—a committee that was expressly created as an *exploratory* committee—Hawley for Missouri has effectively confirmed their latest round of expenditures as being made in connection with Hawley's federal Senate campaign.


REQUESTED ACTION

As shown, Respondents have continued to pay for federal testing-the-waters activities with impermissible state funds in direct violation of the Act and federal regulations. We respectfully request that the Commission investigate these additional claims, enjoin Respondents from further violations of the Act and assign the maximum fines permitted by law.

Sincerely,



SUBSCRIBED AND SWORN to before me this 9 day of November, 2017.


Notary Public

My Commission Expires:

11-30-2021

